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BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TWB-204
Washington, D.C. 20554

Re: Ex Parte Presentation in CC Docket Nos. 01-338, 96-98, 98-147

Dear Ms. Dortch:

Yesterday, Rodney Page of Access Integrated Networks, Richard Burk of nii communications, Peter Karoczkai of InfoHighway Communications, Jerry Watts of ITC^DeltaCom, and Joseph Gillan and the undersigned, representing the Promoting Active Competition Everywhere ("PACE") Coalition, met with Commissioner Adelstein and his legal advisor Lisa Zaina to discuss the economic and operational impairments associated with serving analog customers via competitively-provided circuit switches. The attached materials were distributed at the meeting.

In accordance with Section 1.1206 of the Commission's rules, this letter is being provided to you for inclusion in the public record of each of the above-referenced proceedings. A copy of this submission is being provided to each member of the Commission staff present at the meeting.

Respectfully submitted,


Genevieve Morelli

cc: Commissioner Adelstein
Lisa Zaina
Qualex International

Access Integrated Networks

Line Density Distribution by Central Office

	Number of Central Offices	Average Line Density per Central Office	Average Line Density per Central Office 1st Quintile	Average Line Density per Central Office 2nd Quintile	Average Line Density per Central Office 3rd Quintile	Average Line Density per Central Office 4th Quintile	Average Line Density per Central Office 5th Quintile
Region-wide	1460	74					
Alabama	146	82	249	91	45	21	6
Florida	193	69	214	68	39	18	4
Georgia	187	167	562	145	83	40	10
Kentucky	133	17	59	18	6	2	1
Louisiana	209	35	108	38	15	7	2
Mississippi	182	72	213	90	39	16	4
North Carolina	113	43	139	43	21	7	3
South Carolina	111	75	210	84	48	21	5
Tennessee	186	84	282	84	31	15	4



STATE OF ALABAMA LINE COUNT CHART

City	Count	Percent
ALABASTER	104	0.90%
ALBERTVL	235	2.00%
ALEXANDRCY	47	0.40%
ANNISTON	343	2.90%
ATHENS	302	2.50%
ATTALLA	63	0.50%
AUBURN	132	1.10%
BAYMINETTE	16	0.10%
BELLEFONTN	2	0.00%
BESSEMER	110	0.90%
BIRMINGHAM	722	6.00%
BOAZ	166	1.40%
BREWTON	150	1.20%
BRIDGEPORT	16	0.10%
CALERA	24	0.20%
CARBONHILL	16	0.10%
CENTREVL	35	0.30%
CHELSEA	11	0.10%
CHILDERSBG	58	0.50%
CITRONELLE	5	0.00%
CLANTON	141	1.20%
CLAYTON	14	0.10%
COLUMBIANA	4	0.00%
CORDOVA	1	0.00%
COURTLAND	17	0.10%
CULLMAN	933	7.80%
DADEVILLE	8	0.10%
DECATUR	1019	8.50%
DEMOPOLIS	133	1.10%
DORA	80	0.70%
EUFAULA	291	2.40%
EUTAW	105	0.90%
EVERGREEN	49	0.40%

FAIRHOPE	62	0.50%
FLOMATON	39	0.30%
FLORENCE	258	2.10%
FORT PAYNE	159	1.30%
FT DEPOSIT	3	0.00%
GADSDEN	211	1.80%
GARDENDALE	36	0.30%
GOODWATER	11	0.10%
GRAYSVILLE	37	0.30%
GREENSBORO	41	0.30%
GUNTERSVL	163	1.40%
GURLEY	11	0.10%
HANCEVILLE	65	0.50%
HARTSELLE	266	2.20%
HAZELGREEN	85	0.70%
HUNTSVILLE	651	5.40%
HURTSBORO	9	0.10%
JACKSON	149	1.20%
JACKSONVL	53	0.40%
JASPER	197	1.60%
KILLEN	63	0.50%
LAFAYETTE	21	0.20%
LEIGHTON	23	0.20%
LEXINGTON	15	0.10%
LINDEN	36	0.30%
LIVINGSTON	102	0.80%
MADISON	139	1.20%
MAPLESVL	23	0.20%
MARION	41	0.30%
MCINTOSH	7	0.10%
MOBILE	364	3.00%
MONTEVALLO	4	0.00%
MONTGOMERY	291	2.40%
MOULTON	160	1.30%
MT VERNON	8	0.10%
MUNFORD	1	0.00%
OHATCHEE	17	0.10%
OPELIKA	147	1.20%
PARRISH	23	0.20%
PHENIXCITY	433	3.60%
PIEDMONT	120	1.00%
PINSON	13	0.10%
PRATTVILLE	31	0.30%
RED BAY	68	0.60%

ROGERSVL	75	0.60%
RUSSELLVL	161	1.30%
SELMA	147	1.20%
SHEFFIELD	281	2.30%
STEVENSON	30	0.20%
SYLACAUGA	77	0.60%
TALLADEGA	111	0.90%
THOMASVL	31	0.30%
TOWN CREEK	12	0.10%
TROY	155	1.30%
TUSCALOOSA	719	6.00%
TUSKEGEE	29	0.20%
UNIONTOWN	5	0.00%
VINCENT	24	0.20%
W BLOCTON	31	0.30%
WARRIOR	23	0.20%
WETUMPKA	40	0.30%
YORK	45	0.40%

12004



STATE OF FLORIDA LINE COUNT CHART

City	Count	Percent
ALACHUA	2	0.00%
ARCHER	11	0.10%
BALDWIN	7	0.10%
BELLEGLADE	128	1.00%
BOCA RATON	150	1.10%
BOYNTONBCH	28	0.20%
BRONSON	25	0.20%
BROOKSVL	1	0.00%
BUNNELL	105	0.80%
CANTONMENT	4	0.00%
CEDAR KEYS	3	0.00%
CENTURY	4	0.00%
CHIEFLAND	227	1.70%
CHIPLEY	123	0.90%
COCOA	224	1.70%
COCOABEACH	103	0.80%
CORAL SPG	41	0.30%
CROSS CITY	74	0.60%
DAYTONABCH	685	5.20%
DEBARY	6	0.00%
DEERFLDBCH	43	0.30%
DELAND	136	1.00%
DELEON SPG	15	0.10%
DELRAY BCH	29	0.20%
DELTONA	1	0.00%
DUNNELLON	115	0.90%
EASTORANGE	48	0.40%
EAU GALLIE	468	3.50%
FERNADNBCH	214	1.60%
FLAGLERBCH	110	0.80%
FORTPIERCE	212	1.60%
FTLAUDERDL	302	2.30%
GAINESVL	159	1.20%

GENEVA	1	0.00%
GRACEVILLE	21	0.20%
GREENCVSPG	145	1.10%
GULFBREEZE	61	0.50%
HAVANA	15	0.10%
HAWTHORNE	22	0.20%
HOBE SOUND	24	0.20%
HOLLEYNVRR	7	0.10%
HOLLYWOOD	174	1.30%
HOMESTEAD	14	0.10%
JACKSOLBCH	67	0.50%
JACKSONVL	494	3.70%
JENSEN BCH	78	0.60%
JULINGTON	22	0.20%
JUPITER	64	0.50%
KEYS	22	0.20%
KEYSTN HTS	102	0.80%
LAKE CITY	847	6.40%
LAKE MARY	9	0.10%
LYNN HAVEN	65	0.50%
MELBOURNE	691	5.20%
MERRITT IS	78	0.60%
MIAMI	1	0.00%
MIAMI	1066	8.00%
MICCO	6	0.00%
MIDDLEBURG	65	0.50%
MILTON	26	0.20%
NEWBERRY	70	0.50%
NORTH DADE	221	1.70%
NWSMYRNBCH	59	0.40%
OLD TOWN	22	0.20%
ORANGEPARK	216	1.60%
ORLANDO	796	6.00%
OVIEDO	32	0.20%
PACE	27	0.20%
PAHOKEE	92	0.70%
PALATKA	488	3.70%
PALM COAST	428	3.20%
PANAMACITY	339	2.50%
PENNEYFRMS	29	0.20%
PENSACOLA	204	1.50%
PERRINE	59	0.40%
PIERSON	5	0.00%
PNAMACYBCH	137	1.00%

PNTVDRABCH	79	0.60%
POMPANOBOCH	193	1.50%
PTST LUCIE	164	1.20%
SANFORD	176	1.30%
SEBASTIAN	92	0.70%
ST JOHNS	15	0.10%
STAUGUSTIN	426	3.20%
STUART	187	1.40%
SUNNYHILLS	8	0.10%
TITUSVILLE	53	0.40%
TRENTON	134	1.00%
VERNON	29	0.20%
VERO BEACH	293	2.20%
WEEKICHSPG	7	0.10%
WELAKA	3	0.00%
WELLBORN	1	0.00%
WINTERPARK	1	0.00%
WPALMBEACH	2	0.00%
WPALMBEACH	186	1.40%
YANKEETOWN	2	0.00%
YONGSTFNTN	6	0.00%
YULEE	28	0.20%

13299



STATE OF GEORGIA LINE COUNT CHART

City	Count	Percent
ADAIRSVL	21	0.10%
ALBANY	657	2.10%
AMERICUS	449	1.40%
ARLINGTON	25	0.10%
ATHENS	803	2.50%
ATLANTA	1322	4.20%
ATLANTA NE	1845	5.80%
ATLANTA NW	995	3.10%
ATLANTA SO	700	2.20%
AUGUSTA	287	0.90%
BACONTON	21	0.10%
BAINBRIDGE	108	0.30%
BARNESVL	130	0.40%
BAXLEY	78	0.20%
BLACKSHEAR	25	0.10%
BOGARTSTHM	70	0.20%
BOWDON	60	0.20%
BREMEN	54	0.20%
BRUNSWICK	670	2.10%
BUCHANAN	13	0.00%
BUFORD	200	0.60%
CALHOUN	182	0.60%
CAMILLA	49	0.20%
CARROLLTON	258	0.80%
CARTERSVL	212	0.70%
CAVESPRING	27	0.10%
CEDARTOWN	196	0.60%
CLAXTON	56	0.20%
CLERMONT	16	0.10%
COCHRAN	71	0.20%
COLQUITT	136	0.40%
COLUMBUS	1493	4.70%
CONCORD	1	0.00%
CONYERS	213	0.70%

CORDELE	803	2.50%
COVINGTON	111	0.40%
CUMMING	233	0.70%
CUSSETA	2	0.00%
DUBLIN	871	2.80%
EASTMAN	72	0.20%
EATONTON	820	2.60%
ELBERTON	205	0.60%
FLOWEYBRCH	48	0.20%
FORSYTH	319	1.00%
FORTVALLEY	262	0.80%
FRANKLIN	36	0.10%
GAINESVL	557	1.80%
GEORGETOWN	36	0.10%
GIBSON	29	0.10%
GRANTVILLE	4	0.00%
GREENSBORO	443	1.40%
GREENVILLE	17	0.10%
GRIFFIN	281	0.90%
HAMILTON	114	0.40%
HARLEM	13	0.00%
HAZLEHURST	95	0.30%
HEPHZIBAH	11	0.00%
HOGANSVL	48	0.20%
JACKSON	337	1.10%
JEKYLL IS	166	0.50%
JESUP	121	0.40%
JOHNSONCOR	6	0.00%
KINGSTON	5	0.00%
LAGRANGE	172	0.50%
LAKE PARK	91	0.30%
LEARY	4	0.00%
LEESBURG	39	0.10%
LOUISVILLE	80	0.30%
LULA	18	0.10%
LUMBERCITY	4	0.00%
LUMPKIN	15	0.00%
LUTHERSVL	3	0.00%
LYONS	149	0.50%
MACON	4255	13.50%
MADISON	380	1.20%
MCCAYSVL	42	0.10%
MILLEN	13	0.00%
MONTICELLO	145	0.50%

NEWNAN	119	0.40%
NEWTON	1	0.00%
PELHAM	49	0.20%
PINE MT	18	0.10%
POOLER	121	0.40%
RICHLAND	20	0.10%
ROCKMART	76	0.20%
ROME	453	1.40%
ROOPVILLE	12	0.00%
ROSSVILLE	55	0.20%
ROYSTON	116	0.40%
RUTLEDGE	23	0.10%
SANDERSVL	453	1.40%
SANDY SPG	13	0.00%
SAVANNAH	1780	5.60%
SENOIA	5	0.00%
SMITHVILLE	6	0.00%
SOCIALCRCL	31	0.10%
SPARKS	28	0.10%
SPARTA	75	0.20%
STSIMONSIS	556	1.80%
SWAINSBORO	94	0.30%
SYLVESTER	116	0.40%
TALLAPOOSA	33	0.10%
TEMPLE	27	0.10%
THOMASVL	135	0.40%
THOMSON	322	1.00%
TIFTON	385	1.20%
TYBEE IS	45	0.10%
VALDOSTA	1187	3.80%
VIDALIA	499	1.60%
VILLA RICA	161	0.50%
WADLEY	42	0.10%
WARNERRBNS	1077	3.40%
WARRENTON	99	0.30%
WATKINSVL	157	0.50%
WAYCROSS	124	0.40%
WAYNESBORO	26	0.10%
WOODBURY	21	0.10%
WRENS	52	0.20%
WRIGHTSVL	54	0.20%
ZEBULON	46	0.10%

31630



STATE OF KENTUCKY LINE COUNT CHART

City	Count	Percent
ALLEN	7	0.30%
AURORA	3	0.10%
BARDSTOWN	12	0.50%
BEATTYVL	2	0.10%
BEAVER DAM	3	0.10%
BEDFORD	2	0.10%
BENTON	13	0.60%
BOWLNGGREN	102	4.50%
BREMEN	1	0.00%
CADIZ	13	0.60%
CAMPBELSBG	1	0.00%
CANTON	2	0.10%
CARLISLE	12	0.50%
CARROLLTON	1	0.00%
CAYCE	1	0.00%
CENTERTOWN	1	0.00%
CENTRAL CY	4	0.20%
CLAY	5	0.20%
CLINTON	4	0.20%
CLOVERPORT	2	0.10%
CORBIN	37	1.60%
CRAB ORCH	1	0.00%
CROFTON	1	0.00%
CYNTHIANA	119	5.20%
DANVILLE	5	0.20%
DAWSON SPG	5	0.20%
DIXON	3	0.10%
DRAKESBORO	7	0.30%
EDDYVILLE	12	0.50%
ELKHORN CY	2	0.10%
ELKTON	20	0.90%
EMINENCE	15	0.70%
ENSOR	2	0.10%

FINCHVILLE	1	0.00%
FORD	2	0.10%
FRANKFORT	38	1.70%
FRANKLIN	34	1.50%
FREDONIA	8	0.40%
FULTON	17	0.70%
GEORGETOWN	14	0.60%
GHENT	2	0.10%
GILBERTSVL	8	0.40%
GREENVILLE	10	0.40%
GUTHRIE	3	0.10%
HABIT	1	0.00%
HARDINSBG	2	0.10%
HARLAN	7	0.30%
HARRODSBG	13	0.60%
HARTFORD	3	0.10%
HENDERSON	30	1.30%
HOPKINSVL	48	2.10%
INEZ	1	0.00%
ISLAND	1	0.00%
JACKSON	4	0.20%
JUNCTIONCY	1	0.00%
LA GRANGE	34	1.50%
LAWRENCEBG	3	0.10%
LEBANONJCT	3	0.10%
LOUISA	6	0.30%
LOUISVILLE	906	39.80%
MADISONVL	40	1.80%
MARION	7	0.30%
MAYFIELD	39	1.70%
MAYSVILLE	9	0.40%
MCDANIELS	1	0.00%
MCDOWELL	4	0.20%
MIDDLESBO	15	0.70%
MILTON	3	0.10%
MORGANFLD	9	0.40%
MORGANTOWN	11	0.50%
MTSTERLING	8	0.40%
MURRAY	31	1.40%
NEON	6	0.30%
NEW HAVEN	2	0.10%
NOMIDDLETN	3	0.10%
NORTONVL	1	0.00%
OAK GROVE	2	0.10%

OWENSBORO	58	2.60%
OWENTON	4	0.20%
PADUCAH	50	2.20%
PAINTSVL	17	0.70%
PANTHER	1	0.00%
PARIS	21	0.90%
PEMBROKE	1	0.00%
PIKEVILLE	19	0.80%
PINEVILLE	3	0.10%
PLEASATRDG	1	0.00%
PRESTONSBG	5	0.20%
PRINCETON	17	0.70%
PROVIDENCE	1	0.00%
RICHMOND	27	1.20%
ROBARDS	1	0.00%
ROSETRRACE	8	0.40%
RUSSELLVL	70	3.10%
SADIEVILLE	1	0.00%
SEBREE	3	0.10%
SHELBYVL	32	1.40%
SOWILLIMSN	8	0.40%
SPRINGFLD	5	0.20%
ST CHARLES	3	0.10%
STANFORD	4	0.20%
STANTON	6	0.30%
STURGIS	4	0.20%
TAYLORSVL	34	1.50%
UTICA	1	0.00%
VIRGIE	1	0.00%
WACO	1	0.00%
WALLINSCRK	1	0.00%
WARFIELD	2	0.10%
WAYLAND	1	0.00%
WHITESBURG	6	0.30%
WHITESVL	1	0.00%
WILLIAMSBG	18	0.80%
WINCHESTER	15	0.70%

2262



STATE OF LOUISIANA LINE COUNT CHART

City	Count	Percent
ABBEVILLE	77	1.10%
ALBANY	40	0.60%
ALEXANDRIA	130	1.80%
AMITE CITY	20	0.30%
ARCADIA	14	0.20%
BALDWIN	7	0.10%
BASTROP	24	0.30%
BATONROUGE	735	10.20%
BENTON	7	0.10%
BERNICE	15	0.20%
BLANCHARD	11	0.20%
BOGALUSA	31	0.40%
BOUTTE	14	0.20%
BROUSSARD	24	0.30%
BUNKIE	11	0.20%
BURAS	3	0.00%
BUSH	3	0.00%
CALHOUN	6	0.10%
CALVIN	2	0.00%
CANE RIVER	3	0.00%
CARENCRO	84	1.20%
CASTOR	3	0.00%
CENTERVL	2	0.00%
CHACKBAY	1	0.00%
CLINTON	86	1.20%
COLFAX	4	0.10%
COLUMBIA	24	0.30%
CONVENT	8	0.10%
CONVERSE	6	0.10%
COUSHATTA	16	0.20%
COVINGTON	202	2.80%
CROWLEY	73	1.00%
CROWVILLE	1	0.00%

DE RIDDER	52	0.70%
DELHI	11	0.20%
DENHAM SPG	182	2.50%
DONALDSNVL	37	0.50%
DOWNSVILLE	1	0.00%
DRY PRONG	3	0.00%
DULAC	4	0.10%
DUSON	26	0.40%
EDGARD	1	0.00%
EPPS	3	0.00%
ERATH	7	0.10%
EUNICE	32	0.40%
FARMERVL	29	0.40%
FERRIDAY	11	0.20%
FLORIEN	2	0.00%
FOLSOM	10	0.10%
FRANKLIN	17	0.20%
FRANKLINTN	20	0.30%
FTNECESSTY	2	0.00%
GIBSLAND	2	0.00%
GRAMBLING	3	0.00%
GRAND CANE	2	0.00%
GREENWOOD	4	0.10%
GUEYDAN	6	0.10%
HAHNVILLE	8	0.10%
HAMMOND	107	1.50%
HARAHAN	31	0.40%
HAUGHTON	11	0.20%
HAYNESVL	10	0.10%
HOMER	18	0.20%
HORNBECK	1	0.00%
HOUMA	139	1.90%
INDEPNDNCE	5	0.10%
JACKSON	18	0.20%
JEANERETTE	9	0.10%
JENNINGS	47	0.70%
JESUITBEND	3	0.00%
JONESBORO	24	0.30%
JONESVILLE	8	0.10%
KEATCHIE	3	0.00%
KEITHVILLE	12	0.20%
KENNER	152	2.10%
KENTWOOD	12	0.20%
KROTZ SPG	3	0.00%

LABADIEVL	1	0.00%
LACOMBE	12	0.20%
LAFAYETTE	455	6.30%
LAFITTE	6	0.10%
LAKEARTHUR	27	0.40%
LAPLACE	20	0.30%
LAWTELL	7	0.10%
LECOMPTE	5	0.10%
LEESVILLE	47	0.70%
LEONVILLE	1	0.00%
LIVINGSTON	52	0.70%
LK CHARLES	185	2.60%
LKPROVIDNC	15	0.20%
LOCKPORT	8	0.10%
LOGANSPORT	6	0.10%
LOREAUVL	3	0.00%
LUTCHER	19	0.30%
MADISONVL	18	0.20%
MANDEVILLE	54	0.70%
MANSFIELD	15	0.20%
MANY	32	0.40%
MARKSVILLE	17	0.20%
MELVILLE	4	0.10%
MER ROUGE	4	0.10%
MINDEN	69	1.00%
MONROE	175	2.40%
MONTEGUT	7	0.10%
MONTEREY	4	0.10%
MONTGOMERY	3	0.00%
MOORINGSPT	1	0.00%
MORGANCITY	45	0.60%
MORGANZA	16	0.20%
NAPOLEONVL	5	0.10%
NATCHITCHS	52	0.70%
NEW IBERIA	75	1.00%
NEW ROADS	116	1.60%
NEWELLTON	2	0.00%
NEWORLEANS	1030	14.30%
NORCO	13	0.20%
OAK GROVE	46	0.60%
OAKDALE	13	0.20%
OIL CITY	2	0.00%
OPELOUSAS	57	0.80%
PARADIS	1	0.00%

PATTERSON	26	0.40%
PEARLRIVER	3	0.00%
PIERREPART	23	0.30%
PINE	2	0.00%
PLAQUEMINE	236	3.30%
POLLOCK	3	0.00%
PONCHATOU	53	0.70%
PORT BARRE	5	0.10%
RACELAND	18	0.20%
RAYNE	83	1.10%
RAYVILLE	16	0.20%
ROBELINE	2	0.00%
ROUGON	6	0.10%
RUSTON	152	2.10%
SALINE	3	0.00%
SHREVEPORT	413	5.70%
SICILY IS	2	0.00%
SIMPSON	6	0.10%
SLIDELL	79	1.10%
SPRINGFLD	17	0.20%
ST BERNARD	1	0.00%
ST GABRIEL	13	0.20%
ST JOSEPH	1	0.00%
STERLINGTN	12	0.20%
STFRNCISVL	54	0.70%
STMARTINV	8	0.10%
SULPHUR	67	0.90%
TALLULAH	11	0.20%
THIBODAUX	49	0.70%
VACHERIE	16	0.20%
VENICE	1	0.00%
VIDALIA	11	0.20%
VINTON	5	0.10%
WASHINGTON	5	0.10%
WEEKS IS	1	0.00%
WH CASTLE	49	0.70%
WILSON	1	0.00%
WINNFIELD	17	0.20%
WINNSBORO	26	0.40%
YOUNGSVL	16	0.20%
ZACHARY	131	1.80%
ZWOLLE	13	0.20%



STATE OF MISSISSIPPI LINE COUNT CHART

City	Count	Percent
ABERDEEN	158	1.20%
AMORY	246	1.80%
ASHLAND	71	0.50%
BALDWYN	26	0.20%
BATESVILLE	222	1.60%
BAYSTLOUIS	81	0.60%
BELMONT	11	0.10%
BELZONI	60	0.40%
BENOIT	15	0.10%
BILOXI	99	0.70%
BLUE MT	10	0.10%
BOONEVILLE	116	0.80%
BRANDON	41	0.30%
BROOKHAVEN	518	3.80%
BUCKATUNNA	3	0.00%
BURNSVILLE	24	0.20%
CALEDONIA	3	0.00%
CANTON	101	0.70%
CARROLLTON	13	0.10%
CARTHAGE	126	0.90%
CENTREVL	18	0.10%
CHARLESTON	104	0.80%
CLARKSDALE	97	0.70%
CLEVELAND	319	2.30%
CLINTON	22	0.20%
COFFEEVL	27	0.20%
COLDWATER	39	0.30%
COLLINS	55	0.40%
COLUMBIA	162	1.20%
COLUMBSAFB	18	0.10%
COLUMBUS	185	1.40%
COMO	17	0.10%
CORINTH	159	1.20%

CRENSHAW	7	0.10%
CRYSTALSPG	88	0.60%
DE KALB	53	0.40%
DREW	27	0.20%
DUCK HILL	3	0.00%
DURANT	32	0.20%
ELLISVILLE	38	0.30%
ENTERPRISE	2	0.00%
ETHEL	3	0.00%
EUPORA	133	1.00%
FAYETTE	5	0.00%
FLORA	25	0.20%
FOREST	111	0.80%
GLOSTER	43	0.30%
GOODMAN	3	0.00%
GREENVILLE	258	1.90%
GREENWOOD	194	1.40%
GRENADA	445	3.30%
GULFPORT	192	1.40%
HARPERVL	5	0.00%
HATTIESBG	257	1.90%
HAZLEHURST	118	0.90%
HEIDELBERG	3	0.00%
HERNANDO	219	1.60%
HOLLANDALE	25	0.20%
HOLLY SPG	227	1.70%
HOUSTON	121	0.90%
HURLEY	20	0.10%
INDIANOLA	62	0.50%
INVERNESS	6	0.00%
ITTA BENA	7	0.10%
IUKA	47	0.30%
JACKSON	423	3.10%
KILMICHAEL	10	0.10%
KOSCIUSKO	228	1.70%
LAKE	5	0.00%
LAUREL	123	0.90%
LELAND	40	0.30%
LEXINGTON	45	0.30%
LIBERTY	88	0.60%
LOUISVILLE	135	1.00%
LUCEDALE	43	0.30%
LULA	5	0.00%
LUMBERTON	11	0.10%

LYNVILLE	3	0.00%
MABEN	56	0.40%
MACON	135	1.00%
MADISON	137	1.00%
MAGEE	145	1.10%
MAGNOLIA	40	0.30%
MARKS	135	1.00%
MCCOMB	413	3.00%
MCCOOL	1	0.00%
MCLAIN	3	0.00%
MEMPHIS	769	5.60%
MENDENHALL	37	0.30%
MERIDIAN	106	0.80%
MIZE	4	0.00%
MONTICELLO	67	0.50%
MOORHEAD	6	0.00%
MORTON	26	0.20%
MOSS POINT	55	0.40%
MOUNTOLIVE	15	0.10%
MTPLEASANT	19	0.10%
NATCHEZ	115	0.80%
NETTLETON	25	0.20%
NEW ALBANY	196	1.40%
NEWTONHKRY	39	0.30%
OAKLAND	8	0.10%
OBADIAH	3	0.00%
OCEAN SPG	137	1.00%
OKOLONA	56	0.40%
OSYKA	7	0.10%
OXFORD	224	1.60%
PASCAGOULA	237	1.70%
PASSCHRSTN	34	0.20%
PELAHATCHI	18	0.10%
PHILA	200	1.50%
PICAYUNE	177	1.30%
PICKENS	13	0.10%
PONTOTOC	241	1.80%
POPLARVL	97	0.70%
PORTGIBSON	50	0.40%
PURVIS	12	0.10%
QUITMAN	57	0.40%
RALEIGH	23	0.20%
RAYMOND	7	0.10%
RICHTON	17	0.10%

RIPLEY	205	1.50%
ROLLNGFORK	31	0.20%
ROSEDALE	2	0.00%
RULEVILLE	22	0.20%
SARDIS	29	0.20%
SCOOBA	9	0.10%
SEMINARY	36	0.30%
SENATOBIA	160	1.20%
SHANNON	1	0.00%
SHAW	2	0.00%
SHELBY	15	0.10%
SHUBUTA	1	0.00%
SHUQUALAK	35	0.30%
STARKVILLE	103	0.80%
SUMNER	29	0.20%
SUMRALL	11	0.10%
TAYLORSVL	38	0.30%
TERRY	32	0.20%
TUNICA	152	1.10%
TUPELO	435	3.20%
TUTWILER	6	0.00%
TYLERTOWN	75	0.50%
UNION	26	0.20%
UTICA	14	0.10%
VAIDEN	9	0.10%
VANCLEAVE	9	0.10%
VERONA	22	0.20%
VICKSBURG	106	0.80%
WALNUT	46	0.30%
WATER VLY	66	0.50%
WAYNESBORO	97	0.70%
WESSON	21	0.20%
WEST POINT	147	1.10%
WIGGINS	52	0.40%
WINONA	135	1.00%
WOODVILLE	37	0.30%
YAZOO CITY	142	1.00%

13624



STATE OF NORTH CAROLINA LINE COUNT CHART

City	Count	Percent
ACME	1	0.00%
APEX	9	0.20%
ARDEN	196	4.00%
ASHEVILLE	563	11.50%
BELMONT	5	0.10%
BESSEMERCY	3	0.10%
BLACK MT	46	0.90%
BLOWING RK	1	0.00%
BOONE	29	0.60%
BURGAW	4	0.10%
BURLINGTON	34	0.70%
CANTON	83	1.70%
CAROLINBCH	55	1.10%
CARY	12	0.20%
CASTLEHAYN	20	0.40%
CHAPELHILL	77	1.60%
CHARLOTTE	523	10.70%
CHERRYVL	103	2.10%
CLYDE	9	0.20%
DAVIDSON	83	1.70%
DENVER	6	0.10%
ENKACANDLR	100	2.00%
FAIRMONT	14	0.30%
FAIRVIEW	47	1.00%
FORESTCITY	14	0.30%
GASTONIA	69	1.40%
GOLDSBORO	86	1.80%
GRANTHAM	1	0.00%
GREENSBORO	49	1.00%
GROVER	23	0.50%
HAMLET	96	2.00%
HENDERSNVL	559	11.40%
HUNTERSVL	11	0.20%

JULIAN	5	0.10%
KINGS MT	30	0.60%
KNIGHTDALE	7	0.10%
LAKE LURE	28	0.60%
LATTIMORE	4	0.10%
LAURINBURG	163	3.30%
LAWNDALE	30	0.60%
LEICESTER	4	0.10%
LENOIR	71	1.40%
LIBERTY-CH	7	0.10%
LINCOLNTON	52	1.10%
LOCUST	5	0.10%
LOWELL	4	0.10%
LUMBERTON	339	6.90%
MAGGIE VLY	14	0.30%
MORGANTON	130	2.70%
MOUNTHOLLY	2	0.00%
NEWLAND	81	1.70%
NEWTON	27	0.60%
PEMBROKE	45	0.90%
RALEIGH	212	4.30%
REIDSVILLE	4	0.10%
ROCKINGHAM	168	3.40%
ROWLAND	25	0.50%
RUTHEFRDTN	3	0.10%
SALISBURY	7	0.10%
SCOTTSHILL	8	0.20%
SHELBY	108	2.20%
SOUTHPORT	12	0.20%
SPRUCEPINE	36	0.70%
STANLEY	4	0.10%
STATESVL	39	0.80%
SUMMERFLD	3	0.10%
SWANNANOA	28	0.60%
TROUTMAN	14	0.30%
WAYNESVL	82	1.70%
WENDELL	5	0.10%
WILMINGTON	115	2.30%
WINSTN SAL	22	0.40%
WRGHTSVBCH	5	0.10%
ZEBULON	6	0.10%



STATE OF SOUTH CAROLINA LINE COUNT CHART

City	Count	Percent
AIKEN	179	2.20%
ALLENDALE	38	0.50%
ANDERSON	324	3.90%
ANTIOCH	2	0.00%
BAMBERG	42	0.50%
BARNWELL	103	1.20%
BATESBURG	72	0.90%
BATH	47	0.60%
BEECH IS	5	0.10%
BELTON	51	0.60%
BENNETTSVL	121	1.50%
BLACKSBURG	88	1.10%
BLACKVILLE	11	0.10%
BLUE RIDGE	1	0.00%
CAMDEN	187	2.30%
CENTRAL	27	0.30%
CHARLESTON	211	2.50%
CHERAW	152	1.80%
CHPNLTLMTN	1	0.00%
CHPNLTLMTS	15	0.20%
CLEMSON	127	1.50%
CLINTON	71	0.90%
CLIO	1	0.00%
CLOVER	262	3.20%
COLUMBIA	581	7.00%
COWPENS	64	0.80%
DARLINGTON	115	1.40%
DENMARK	43	0.50%
DILLON	156	1.90%
EASLEY	174	2.10%
EASTOVER	1	0.00%
EDGEFIELD	46	0.60%
EDISTO IS	1	0.00%

FLORENCE	440	5.30%
FOUNTANINN	36	0.40%
GAFFNEY	409	4.90%
GRANITEVL	19	0.20%
GREENVILLE	469	5.70%
GREER	50	0.60%
HARTSVILLE	243	2.90%
HICKORYGRV	12	0.10%
HONEA PATH	42	0.50%
ISLE PALMS	3	0.00%
JOANNA	3	0.00%
JOHNSTON	28	0.30%
JONESVILLE	9	0.10%
LAKE VIEW	2	0.00%
LAKE WYLIE	101	1.20%
LATTA	5	0.10%
LIBERTY	21	0.30%
LK WYLIE W	14	0.20%
LYMAN	95	1.10%
MARION	71	0.90%
MCCOLL	14	0.20%
MTPLEASANT	41	0.50%
MULLINS	60	0.70%
NEWBERRY	133	1.60%
NEWELLENTN	36	0.40%
NICHOLS	2	0.00%
NO AUGUSTA	79	1.00%
ORANGEBURG	302	3.60%
PACOLET	7	0.10%
PELZER	45	0.50%
PENDLETON	52	0.60%
PICKENS	100	1.20%
PIEDMONT	55	0.70%
PROSPERITY	13	0.20%
SALEM	1	0.00%
SENECA	360	4.30%
SHARON	21	0.30%
SIX MILE	22	0.30%
SOCIETY HL	6	0.10%
SPARTANBG	542	6.50%
ST GEORGE	62	0.70%
SULLIVNSIS	1	0.00%
SUMMERVL	81	1.00%
TIMMONSVL	76	0.90%

TRAVESREST	52	0.60%
UNION	163	2.00%
W COLUMBIA	7	0.10%
WALHALLA	99	1.20%
WESTMINSTR	26	0.30%
WHITMIRE	16	0.20%
WILLIAMSTN	121	1.50%
YORK	294	3.50%
	8280	



STATE OF TENNESSEE LINE COUNT CHART

City	Count	Percent
ADMSCDARHL	1	0.00%
ARLINGTON	2	0.00%
ASHLAND CY	12	0.10%
ATHENS	337	2.20%
BEAN STATN	13	0.10%
BELLS	17	0.10%
BENTCREEK	1	0.00%
BENTON	14	0.10%
BETHEL SPG	7	0.00%
BIG SANDY	13	0.10%
BLANCHE	3	0.00%
BOLIVAR	352	2.30%
BROWNSVL	265	1.80%
BULLS GAP	4	0.00%
CAMDEN	115	0.80%
CARTHAGE	22	0.10%
CEDARGROVE	5	0.00%
CENTERVL	117	0.80%
CHARLESTON	13	0.10%
CHATTNOOGA	282	1.90%
CHESTNUTHI	3	0.00%
CLARKSVL	107	0.70%
CLEVELAND	174	1.20%
CLINTON	50	0.30%
COLLIERVL	111	0.70%
COLUMBIA	855	5.70%
COPPERBSIN	50	0.30%
COVINGTON	209	1.40%
CULLEOKA	1	0.00%
CUMBERLDGP	27	0.20%
DANDRIDGE	5	0.00%
DAYTON	57	0.40%
DECATUR	9	0.10%

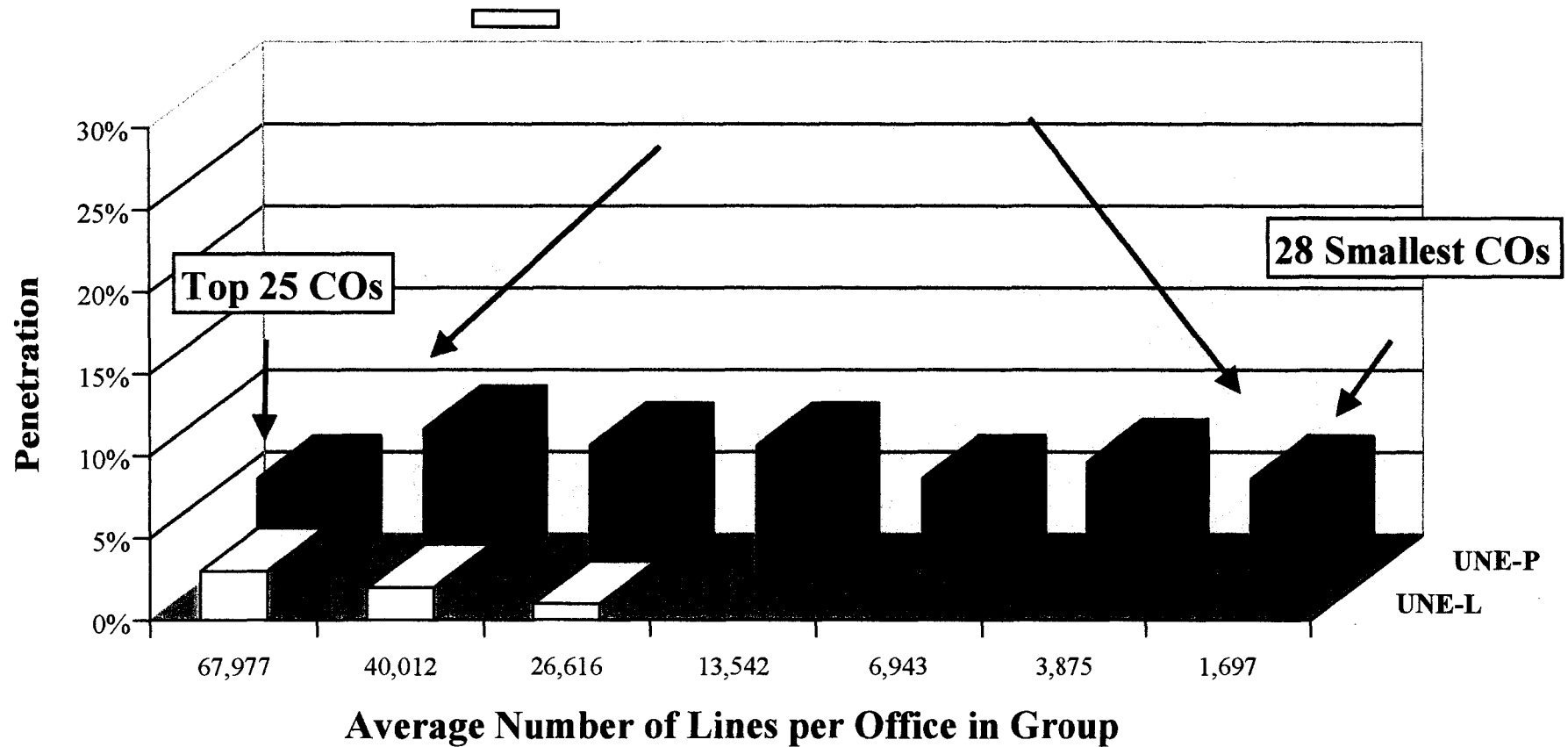
DICKSON	83	0.50%
DOVER	5	0.00%
DYER	32	0.20%
DYERSBURG	310	2.10%
ELKTON	28	0.20%
ETOWAH	32	0.20%
FAIRVIEW	4	0.00%
FAYETTEVL	550	3.60%
FLINTVILLE	16	0.10%
FRANKLIN	93	0.60%
FREDONIA	1	0.00%
GALLATIN	23	0.20%
GATLINBURG	263	1.70%
GEORGETOWN	19	0.10%
GIBSON	4	0.00%
GLEASON	21	0.10%
GOODLETSVL	32	0.20%
GRAND JCT	25	0.20%
GREENBRIER	10	0.10%
GREENFIELD	27	0.20%
HALLS	167	1.10%
HAMPSHIRE	2	0.00%
HARRIMAN	20	0.10%
HARTFORD	21	0.10%
HARTSVILLE	11	0.10%
HENDERSNVL	44	0.30%
HENDERSON	115	0.80%
HENNING	7	0.00%
HOHENWALD	162	1.10%
HORNBEAK	5	0.00%
HUMBOLDT	72	0.50%
HUNTINGDON	21	0.10%
HUNTLAND	7	0.00%
JACKSON	404	2.70%
JASPER	20	0.10%
JEFFERSNCY	23	0.20%
JELLICO	35	0.20%
KENTON	15	0.10%
KINGSTNSPG	4	0.00%
KINGSTON	15	0.10%
KNOXVILLE	549	3.60%
LAFOLLETTE	170	1.10%
LAGRANGE	11	0.10%
LAKE CITY	6	0.00%

LAWRENCEBG	624	4.10%
LEBANON	29	0.20%
LENOIRCITY	29	0.20%
LEWISBURG	318	2.10%
LEXINGTON	195	1.30%
LOUDON	35	0.20%
LYLES	28	0.20%
LYNCHBURG	14	0.10%
LYNNVILLE	9	0.10%
MADISONVL	259	1.70%
MANCHESTER	374	2.50%
MARYVILLE	78	0.50%
MASCOT	48	0.30%
MAYNARDVL	84	0.60%
MCEWEN	2	0.00%
MCKENZIE	67	0.40%
MEDINA	6	0.00%
MEMPHIS	1295	8.60%
MICHIE	1	0.00%
MIDDLETON	49	0.30%
MILAN	118	0.80%
MORRISTOWN	308	2.00%
MOSCOW	9	0.10%
MTPLEASANT	151	1.00%
MURFREESBO	131	0.90%
NASHVILLE	381	2.50%
NEWBERN	47	0.30%
NEWPORT	194	1.30%
NSPRINGHIL	5	0.00%
OAK RIDGE	91	0.60%
OLDHICKORY	26	0.20%
OLIVER SPG	8	0.10%
PARIS	396	2.60%
PETERSBURG	15	0.10%
PLEASANTVW	12	0.10%
PORTLAND	10	0.10%
PULASKI	414	2.70%
RIDGELY	11	0.10%
RIPLEY	241	1.60%
ROCKWOOD	41	0.30%
ROGERSVL	25	0.20%
SANGO	31	0.20%
SAVANNAH	327	2.20%
SELMER	131	0.90%

SEVIERVL	207	1.40%
SEWANEE	3	0.00%
SHELBYVL	192	1.30%
SMYRNA	36	0.20%
SNEEDVILLE	4	0.00%
SO FULTON	2	0.00%
SO PITTSBG	37	0.20%
SODDYDAISY	16	0.10%
SOFREDONIA	2	0.00%
SOLWAY	4	0.00%
SOMERVILLE	199	1.30%
SPENCERMIL	2	0.00%
SPRINGCITY	31	0.20%
SPRINGFLD	48	0.30%
SPRINGHILL	38	0.30%
SUMMERTOWN	16	0.10%
SURGOINSVL	6	0.00%
SWEETWATER	164	1.10%
TIPTONVL	4	0.00%
TOWNSEND	16	0.10%
TRENTON	68	0.50%
TROY	21	0.10%
TULLAHOMA	154	1.00%
UNION CITY	76	0.50%
WARTRACE	2	0.00%
WATERTOWN	4	0.00%
WAVERLY	36	0.20%
WHITE PINE	15	0.10%
WHITEBLUFF	11	0.10%
WHITEHOUSE	17	0.10%
WHITEVILLE	42	0.30%
WHITWELL	4	0.00%
WINCHESTER	189	1.30%

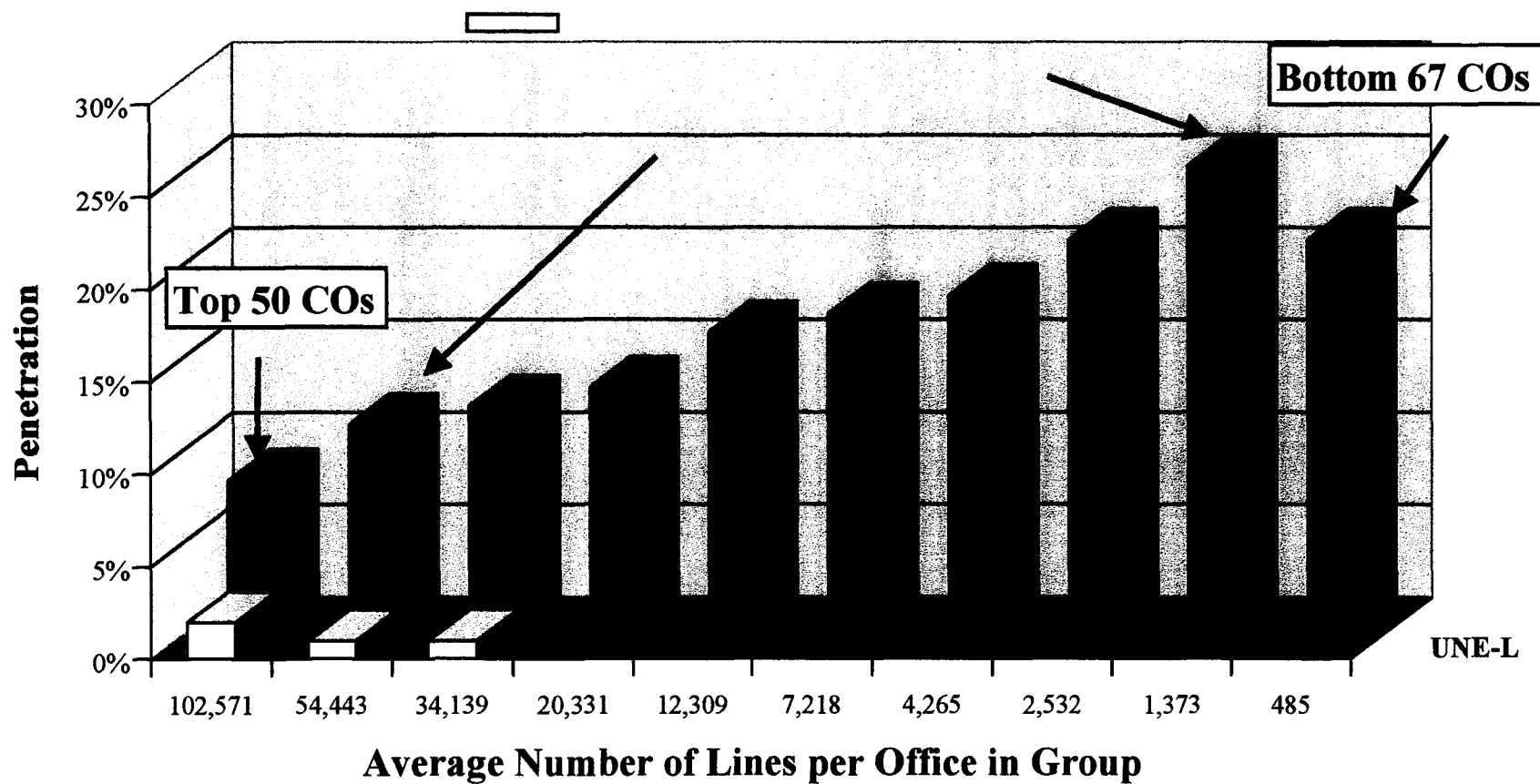
15070

UNE-P Distribution Georgia 2002¹



¹ Source: Georgia Public Service Commission Docket 14361-U.

UNE-P Distribution Texas – October 2001²



² Source: Texas Public Utility Commission Docket 24542.



FOR IMMEDIATE RELEASE

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Joe Gillan (386) 405-2751

UNE-P Passes 10 Million Line Milestone
Fastest Growing and Most Successful Local Entry Strategy Benefits Residential and Small Business Customers Across Nation

WASHINGTON, D.C., January 15, 2002 - The Promoting Active Competition Everywhere (PACE) Coalition today released its semi-annual UNE-P Fact Report that tracks the development of UNE-P based local competition. The report concludes that UNE-P lines have crossed the 10 million line barrier and that UNE-P is the fastest growing – and now most successful – local entry strategy in the nation. A summary of the key findings of the UNE-P Fact Report is attached.

“The Fact Report demonstrates that the bold reforms of the 1996 Telecom Act can work, but only if given time and the sustained commitment of those charged with their oversight,” according to Rodney Page, Executive Vice President of Access Integrated Networks, a member of the PACE Coalition. “We congratulate the state commissions who are working hard to produce these fine results.”

A key finding of the Fact Report is that new local service providers other than AT&T and WorldCom are most responsible for the surge in UNE-P based competition. These small companies are now responsible for 46% of the UNE-P lines in service.

“In 1996, the RBOCs agreed to a quid pro quo: they would allow entrants access to their local networks in exchange for the opportunity to offer long distance services,” reminds Peter Karoczkai, Vice President of InfoHighway Communications and Chairman of the PACE Coalition. “With their pockets full of quid, these companies now want to eliminate the quo. A deal is a deal and the UNE-P Fact Report shows that consumers are the winners when the incumbents are held to their end of the bargain.

“With approximately 85% of the net gain in competitive lines coming from UNE-P, it should be no surprise that the incumbents would like to eliminate UNE-P,” according to Michael Weprin, President and CEO of PACE Coalition member BridgeCom. “What is surprising is that the FCC would even entertain the idea. Despite its success, UNE-P based competition has less than a 6% market share. If a 6% market share more than 6

years after the Telecom Act was passed is too much competition for the incumbents, what on earth did they and the FCC expect from the Act?"

"The FCC finally has the evidence of what works and what doesn't," said Karoczkai. "Now it needs to make sure it doesn't confuse the two. UNE-P must be kept intact because without UNE-P competitive choice for small business and residential consumers would effectively disappear and the promise of the 1996 Telecom Act would be extinguished."

###

The PACE Coalition comprises a diverse group of competitive entrants who have committed substantial capital resources to developing the necessary infrastructure to compete in the local telecom market. It's members include Access Integrated Networks, ATX Communications, Birch Telecom, BizOnline.Com, BridgeCom, DataNet Systems, Ernest Communications, IDS Telcom LLC, InfoHighway Communications, ITC^DeltaCom, Inc., MCG Capital Corp., MetTel, Momentum Business Solutions, Inc., nii communications, and Z-Tel. For further information on the PACE Coalition, contact Genny Morelli (202-887-1230 or gmorelli@kelleydrye.com) or Joe Gillan (386-405-2751 or joegillan@earthlink.net) or visit its website at www.pacecoalition.org.

UNE-P Fact Report
January 2003



Summary Facts

- * By the end of 2002, more than 10 million residential and small business lines had obtained competitive local exchange services from providers using UNE-P.**
- * UNE-P accounted for 85% of the net gain in competitive access lines during the first half of 2002 (the most recent period for which comprehensive CLEC data is available).**
- * Small new entrants (CLECs) are most responsible for the growth of UNE-P based competition, serving 46% of the UNE-P lines in service as of September 30, 2002, a share far larger than either AT&T (28%) or MCI (26%).**
- * UNE-P is as (or more) critical to the development of competition for small business customers as it is for residential customers, with UNE-P serving 7.6% of the small business market and a symmetric 6.7% of the residential market nationally.**
- * UNE-P's share of the competitive local market has grown from 6% of competitive lines at the beginning of 2000, to nearly 35% by June of 2002. At the same time, UNE-L's share has increased from 12% to 19%, while CLEC-provided facilities have grown from 27% to 31%, proving that UNE-P's gain does not occur at the expense of other facilities-based strategies.**
- * The benefits of UNE-P based competition are becoming more widespread. UNE-P market share in the nation's three most rural states – Wyoming, North Dakota and South Dakota – is 8.7%, significantly larger than the national average penetration rate of 5.4%.**

The Top 5 States as of June 2002, ranked by:			
Rank	UNE-P Lines Added in 2002	UNE-P Lines in Service	UNE-P Share
1	Michigan	New York	New York
2	Florida	Texas	Texas
3	Ohio	Michigan	Michigan
4	Illinois	Florida	Wyoming
5	California	Illinois	Kansas

The UNE-P Fact Report: January 2003¹

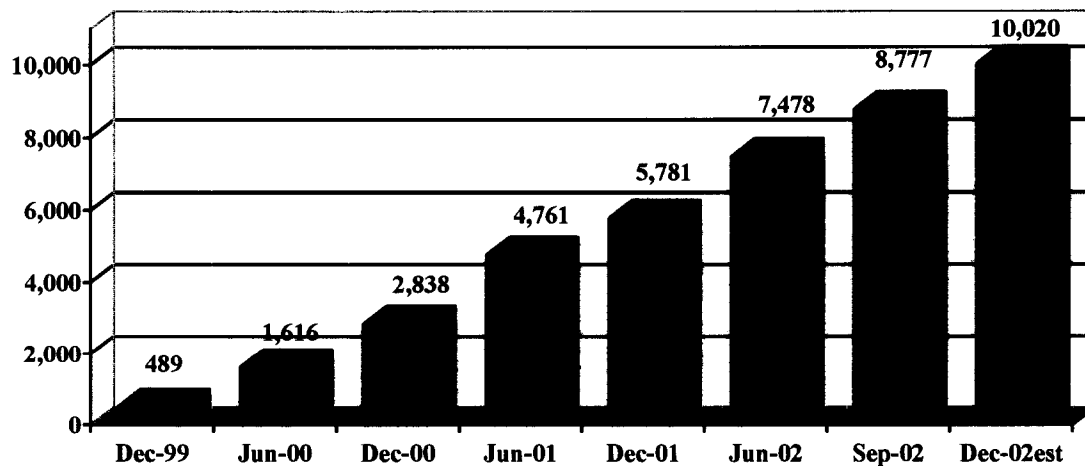


This is the second in a series of UNE-P Fact Reports tracking the development of the unbundled network element platform (UNE-P) and its important role in transforming local markets from monopoly to competition. The UNE-P Fact Report is based on hard data filed by the incumbent exchange carriers in federal and state regulatory proceedings, as well as statements released to investors, and is intended to provide an objective summary of the status of UNE-P based competition.

UNE-P Remains the Fastest Growing Form of Local Competition

Market data confirms that UNE-P remains the fastest growing form of local competition, serving an estimated 10 million residential and small business lines by the end of 2002. UNE-P has grown from only 6% of CLEC lines at the end of 1999 to nearly 35% by June of 2002.

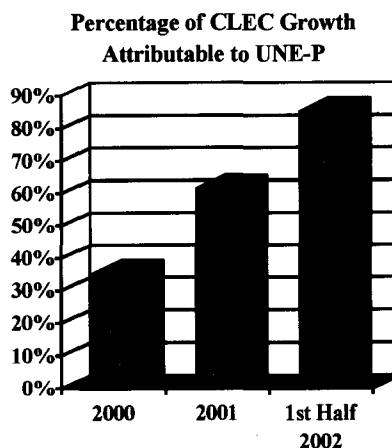
**Growth of UNE-P
(Thousands of lines)²**



¹ The UNE-P Fact Report is published twice annually by the PACE (Promoting Active Competition Everywhere) Coalition. The previous version of the UNE-P Fact Report may be downloaded at www.pacecoalition.org. The PACE Coalition consists of smaller entrants that use UNE-P to provide some or all of their local services. The members of the PACE Coalition are: Access Integrated Networks, ATX Communications, Birch Telecom, BiznessOnline.com, BridgeCom, DataNet Systems, Ernest Communications, IDS Telcom, InfoHighway Communications, ITC^DeltaCom, MCG Capital Corp., MetTel, Momentum Business Solutions, nii communications, and Z-Tel Communications.

² Source: FCC Local Competition Report (data through June 2002), released December 9, 2002. UNE-P volumes for the third quarter of 2002 are based on RBOC quarterly earnings information, while the estimate for the fourth quarter 2002 was developed by the PACE Coalition.

UNE-P is unmistakably the principal driver of competitive growth in the local market today. During the first half of 2002, UNE-P accounted for more than 85% of the net growth in competitive access lines. Said differently, if UNE-P were eliminated, competitive activity – and, importantly, competitive benefit – would decline by roughly 85%. Not only would competition slow overall, the decline would reduce benefits most dramatically for the typical residential and small business customers that depend on analog services for their basic communications needs. As explained below, it is this customer segment that is most frequently served by UNE-P.



UNE-P is Critical to Competition in the Small Business and Residential Markets

It is generally understood that UNE-P is vital to local competition for residential customers. Less well understood, however, is the importance of UNE-P to competition in the small business market (defined here as businesses that are served using conventional analog-loop based services). This “mass market” of residential and smaller business customers rely on UNE-P to obtain competitive choice.

Relative Importance of UNE-P to Residential and Small Business Competition

Holding Company	UNE-P Lines ³		Penetration Rate ⁴	
	Business	Residential	Business	Residential
BellSouth	569,929	769,590	12.2%	4.6%
Qwest	285,034	229,145	7.4%	2.1%
Verizon (Bell Atlantic)	595,775	1,978,432	7.6%	7.7%
SBC	1,010,825	2,840,145	6.2%	8.5%
Total	2,461,563	5,817,312	7.6%	6.7%

As the table above shows, small business competition is sometimes *more* dependent upon UNE-P than residential competition. In the BellSouth and Qwest regions, small business (i.e., analog) UNE-P penetration is roughly *3 times* residential UNE-P penetration, while in the areas served by SBC and Verizon the penetration rates are approximately the same. Significantly, other than New York, the remaining Verizon’s states report business/residential penetration rates comparable to Qwest and BellSouth.⁵

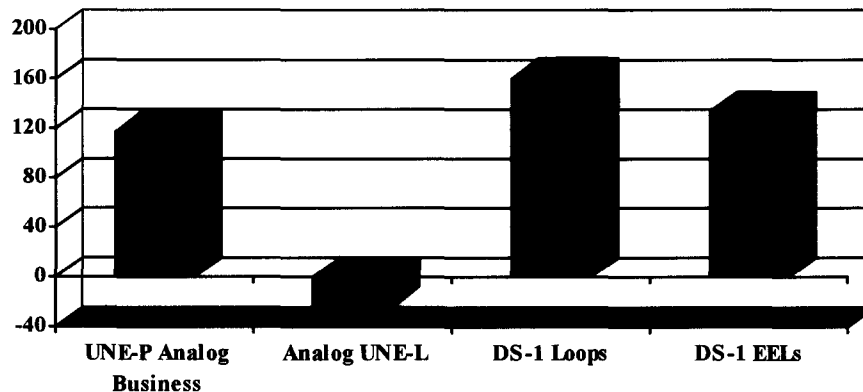
³ Source: RBOC *Ex Parte* Filings in CC Docket 01-338 or as reported by Commerce Capital Markets, December 20, 2002. Vintage of data varies, but is generally from August or September, 2002.

⁴ Relative penetration rate calculated as UNE-P lines (business or residential) as a percentage of residential and business analog lines. Source: ARMIS 43-08. For Qwest, analysis assumes all UNE-P lines reported as “POTS” are used to serve residential customers. This assumption is likely to understate business UNE-P penetration in the Qwest region, while overstating residential UNE-P penetration.

⁵ The relative penetration of UNE-P in the analog business market for Verizon (Bell Atlantic) states other than New York is 5.8%, while the residential penetration is 1.8%.

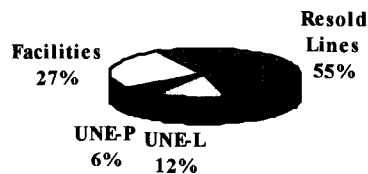
As indicated, there are very significant differences between business customers seeking analog-based competitive services and those larger businesses desiring high-speed (i.e., DS-1 and above) connections, in terms of the products offered, the competitive alternatives available, *and* the entry strategies used to serve them. These differences produce a clear division in the marketplace -- UNE-P is used to compete for analog business customers, while UNE-L is used to serve high-speed digital (DS-1) customers. This division can be seen clearly when reviewing the *types* of UNEs purchased to serve business customers during 2002. As the graph below illustrates, UNE-P was responsible for *all* of the growth in competitive analog services, while UNE-L arrangements were limited to digital DS-1 based services. Competition for analog small business customers – the mainstay of the American economy – depends upon access to UNE-P.

UNE-Based Competition – BellSouth⁶
UNEs added in 2002 (through June) – Voice Grade Equivalents (000s)

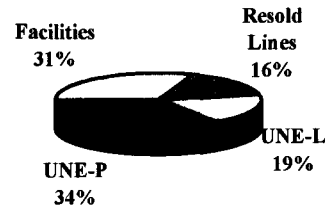


Because UNE-P and UNE-L are used by entrants to compete for fundamentally different customer segments, both have seen their share of the competitive pie increase. Although UNE-P is now the dominant local entry strategy (at nearly 35%), its gain has *not* occurred at the expense of either UNE-L or purely facilities-based strategies. Rather, the approaches address different customer segments, and therefore grow independently of one another.

Entry Mix: December 1999



Entry Mix: June 2002

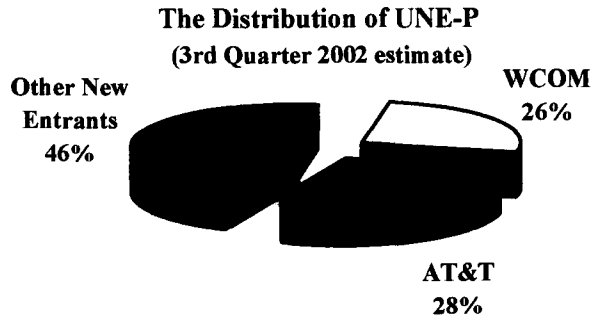


⁶ Source: BellSouth Response to Interrogatory No. 2, AT&T/WorldCom's First Set, North Carolina Public Utilities Commission Docket No. P-100, Sub 133d.

UNE-P Provides the Foundation for a New Wave of Competitive Entry

One of the principal benefits of UNE-P is that it fosters geographically broad competition, bringing competitive benefit to urban, suburban and rural areas.⁷ In addition, because it is provisioned electronically, it enables carriers to compete for smaller mass market customers. Because of these features, UNE-P has been an important local entry strategy for carriers with preexisting long distance operations, particularly AT&T and WorldCom.

Importantly, however, UNE-P has also fostered a new wave of competitive entry, including the carriers that together form the PACE Coalition (sponsor of the UNE-P Fact Report). Although less well known than AT&T and WorldCom, this “second tier” of competitive entrant represents the largest (collective) purchaser of UNE-P, serving approximately 46% of the lines. It is within this tier that new competitive ideas are first tested and innovation is most likely to develop.



The Benefits of UNE-P Are Becoming More Widespread

One significant competitive trend is that the benefits of UNE-P based competition are becoming more widespread around the nation. In December 2001, approximately 77% of the UNE-P lines were concentrated in the top 6 states; by June 2002, these same states represented only 68% of the nation's UNE-P lines. This is partially due to competition slowing in New York and Texas – UNE-P growth in these two states during the first half of 2002 was only 3.2%, compared to an average growth of 61.5% in the remaining states that reported UNE-P activity.⁸

As shown in the table to the right, the competitive benefits from UNE-P are becoming more diffused, with the distribution of UNE-P lines becoming more widespread throughout the nation. The importance of UNE-P extends from the nation's most populous states (such as New York and Texas) to the country's more rural states. Indeed, UNE-P penetration is well above the national average in the three least populous states in the country.

**The Distribution of UNE-P Competition
Shows Benefits Becoming More Dispersed**

	Dec 2001	June 2002
Top 2 States	54%	43%
Next 3 States	18%	22%
States 6 to 10	11%	16%
States 11 to 15	6%	6%
States 16 to 25	6%	8%
Remaining States	4%	5%
Total	100%	100%

⁷ See *UNE-P Fact Report – August 2002* for additional data demonstrating the geographic ubiquity achieved by UNE-P based competition.

⁸ Calculation does not include states where the RBOC withheld data claiming confidentiality concerns. In June 2002, Verizon (Bell Atlantic) withheld information for six states: Delaware, the District of Columbia, Maine, New Hampshire and Vermont. In December 2001, Verizon (Bell Atlantic) withheld information only for Vermont and the District of Columbia.

UNE-P Competition in the Nation's Most Rural States⁹

State	Rank ¹⁰	Lines in State	UNE-P	Market Share
Wyoming	47	263,831	26,846	10.2%
South Dakota	48	256,709	17,343	6.8%
North Dakota	49	217,218	20,191	9.3%
National Average				5.4%

Of course, UNE-P is only capable of *extending* urban competition to rural markets if it can also be used in more urban markets. There are substantial costs to design, market and support local services that could never be justified solely by rural entry. But the good news is that once given the opportunity to compete in urban states, UNE-P based competition does not end there – it extends to even the most rural markets.

Fundamentally, the practical availability and economic attractiveness of UNE-P is determined on a state-by-state basis, through the effort of each state's public service commission. A listing of each states' progress in making UNE-P commercially useful is provided in the "National UNE-P Report Card" attached to this report (based on ILEC June 2002 Form 477 data), as well as a state-by-state ranking of UNE-P penetration in the analog residential and business markets based on additional (and slightly more current) information filed by the RBOCs.

The Silent Scandal – Local Competition in Faux-BOC Markets

The above report has focused on the local market conditions in areas served by the Regional Bell Operating Companies. Although (as noted above) UNE-P is bringing competitive benefits broadly to the residential and small business marketplace, there are noticeable and meaningful gaps in competitive activity. As the ILECs consolidated over the last few years, both SBC (with its acquisition of SNET) and Verizon (through its merger with GTE) acquired markets that had not been served by a Bell Operating Company. These "faux-BOC" exchanges are nominally part of the SBC and Verizon organizations, but are clearly not part of the same competitive environment.

The table at right compares the relative size and competitive share earned by UNE-P in the exchanges served by the legacy RBOC operations (i.e., for SBC, Southwestern Bell, Ameritech and Pacific Telesis and for Verizon, NYNEX and Bell Atlantic), to the faux-BOC exchanges that they acquired (i.e., SNET and GTE respectively). As the table clearly shows, there is virtually no UNE-P based competition in the exchanges of the "faux-BOCs," despite the

	Legacy RBOC	Faux-BOC
SBC (SNET)		
ILEC Lines	50,518,572	2,256,557
UNE-P	3,325,617	12
Share	6.2%	0.0%
Verizon (GTE)		
ILEC Lines	30,931,677	17,761,502
UNE-P ¹¹	2,351,423	24,190
Share	7.1%	0.1%

⁹ Source: FCC Local Competition Report (data through June 2002), released December 9, 2002.

¹⁰ Data does not include Alaska and Hawaii, but does include the District of Columbia.

¹¹ UNE-P lines for GTE properties of Verizon were estimated by comparing the number of UNE-P lines reported by Verizon in the 2nd Quarter 2002 to investors to the total number of UNE-P lines by state reported to the FCC in its June 30 2002 Form 477 report. Verizon withholds data for all of its GTE

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January 2003**

relatively large number of access lines being served by these entities. To the extent that there are questions as to the level of competition that can be expected in a "UNE-P free market," the territories served by the former GTE operating companies and SNET provide a discouraging insight to that issue.

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operations and a number of smaller states served by its predecessors, Bell Atlantic and NYNEX. For several of these states (D.C., Delaware, New Hampshire and West Virginia), however, Verizon provided UNE-P volumes to the FCC through an ex parte filing in CC Docket 01-338. All UNE-P lines reported by Verizon to investors in its 2nd Quarter 2002 earnings release that could not be attributed to a non-GTE operation were assumed to be UNE-P lines provided by GTE. This methodology potentially overstates the number of UNE-P lines served by GTE because there are two remaining Verizon states (Maine and Vermont) for which Verizon withholds data.

The National UNE-P Report Card

State	Holding Company	UNE-P as of June 2002			National Rank		
		Gain*	Total Lines	Share	Gain	Lines	Share
Alabama	BellSouth	18,003	68,692	3.5%	21	17	19
Arizona	Qwest	15,385	35,719	1.3%	24	28	34
Arkansas	SBC Communications	14,639	35,062	3.5%	25	30	18
California	SBC Communications	100,064	180,098	1.0%	5	9	36
Colorado	Qwest	3,405	81,527	2.9%	31	14	21
Connecticut	SBC Communications	0	12	0.0%	37	43	43
Delaware	Verizon (Bell Atlantic)	WH	WH	WH			
DC	Verizon (Bell Atlantic)	WH	WH	WH			
Florida	BellSouth	292,607	428,326	6.4%	2	4	10
Georgia	BellSouth	94,881	327,147	7.7%	6	6	8
Idaho	Qwest	595	11,091	2.0%	34	37	30
Illinois	SBC Communications	121,966	423,890	6.0%	4	5	11
Indiana	SBC Communications	40,330	47,131	2.0%	11	25	29
Iowa	Qwest	-13,386	103,018	9.1%	43	12	7
Kansas	SBC Communications	41,520	125,802	9.4%	10	10	5
Kentucky	BellSouth	11,652	35,614	2.9%	28	29	22
Louisiana	BellSouth	21,377	52,648	2.2%	18	21	26
Maine	Verizon (Bell Atlantic)	WH	WH	WH			
Maryland	Verizon (Bell Atlantic)	17,148	31,306	0.8%	22	31	38
Massachusetts	Verizon (Bell Atlantic)	6,528	62,915	1.5%	29	18	32
Michigan	SBC Communications	328,614	750,895	13.6%	1	3	3
Minnesota	Qwest	5,024	85,681	3.7%	30	13	16
Mississippi	BellSouth	28,316	52,498	3.9%	14	22	15
Missouri	SBC Communications	47,507	115,406	4.4%	8	11	14
Montana	Qwest	2,308	5,000	1.3%	32	39	33
Nebraska	Qwest	558	4,087	0.9%	35	41	37
Nevada	SBC Communications	33	51	0.0%	36	42	42
New Hampshire	Verizon (Bell Atlantic)	WH	WH	WH			
New Jersey	Verizon (Bell Atlantic)	42,359	75,573	1.2%	9	16	35
New Mexico	Qwest	905	5,452	0.6%	33	38	41
New York	Verizon (Bell Atlantic)	61,544	1,837,735	16.5%	7	1	1
North Carolina	BellSouth	14,589	56,971	2.2%	26	20	25
North Dakota	Qwest	-2,770	20,191	9.3%	42	34	6
Ohio	SBC Communications	149,865	198,913	4.7%	3	8	13
Oklahoma	SBC Communications	22,311	58,510	3.6%	17	19	17
Oregon	Qwest	26,447	46,525	3.2%	15	26	20
Pennsylvania	Verizon (Bell Atlantic)	20,814	312,149	5.2%	19	7	12
Rhode Island	Verizon (Bell Atlantic)	-429	4,107	0.7%	39	40	40
South Carolina	BellSouth	11,753	39,805	2.6%	27	27	24
South Dakota	Qwest	-579	17,343	6.8%	40	36	9
Tennessee	BellSouth	25,101	75,656	2.8%	16	15	23
Texas	SBC Communications	37,045	1,342,462	13.6%	12	2	2
Utah	Qwest	-2,357	18,157	1.7%	41	35	31
Vermont	Verizon (Bell Atlantic)	WH	WH	WH			
Virginia	Verizon (Bell Atlantic)	19,353	27,638	0.8%	20	32	39
Washington	Qwest	15,728	51,637	2.1%	23	23	28
West Virginia	Verizon (Bell Atlantic)	WH	WH	WH			
Wisconsin	SBC Communications	36,348	47,397	2.1%	13	24	27
Wyoming	Qwest	-69	26,846	10.2%	38	33	4

* Gain in UNE-P lines in 2002, through June 30, 2002.

WH: Withheld due to confidentiality claim by the RBOC.

Source: RBOC Form 477 (Local Competition) Filings with the Federal Communications Commission.

Relative Penetration of Residential and Business UNE-P by State

State	Holding Company	UNE-P Lines		Penetration Rate*	
		Business	Residential	Business	Residential
Alabama	BellSouth	63,650	27,620	17.9%	2.0%
Arizona	Qwest	6,660	30,557	1.0%	1.5%
Arkansas	SBC Communications	5,391	44,842	2.0%	6.8%
California	SBC Communications	112,591	171,965	1.9%	1.5%
Colorado	Qwest	51,886	32,894	8.0%	1.8%
DC	Verizon (Bell Atlantic)	3,780	329	2.1%	0.1%
Delaware	Verizon (Bell Atlantic)	5,591	52	4.4%	0.0%
Florida	BellSouth	145,809	330,354	10.7%	7.1%
Georgia	BellSouth	105,597	245,710	14.2%	9.4%
Idaho	Qwest	34	10,481	0.0%	2.7%
Illinois	SBC Communications	107,477	418,889	4.7%	11.0%
Indiana	SBC Communications	9,337	51,689	1.4%	3.5%
Iowa	Qwest	96,792	2,086	38.7%	0.3%
Kansas	SBC Communications	60,612	85,686	19.3%	9.9%
Kentucky	BellSouth	25,195	18,651	10.7%	2.1%
Louisiana	BellSouth	37,083	43,834	7.2%	2.6%
Maine	Verizon (Bell Atlantic)	WH	WH	WH	WH
Maryland	Verizon (Bell Atlantic)	26,867	7,166	4.5%	0.3%
Massachusetts	Verizon (Bell Atlantic)	74,215	7,865	8.2%	0.3%
Michigan	SBC Communications	128,745	695,815	7.7%	23.0%
Minnesota	Qwest	40,776	45,359	8.5%	3.2%
Mississippi	BellSouth	31,608	33,256	12.1%	3.6%
Missouri	SBC Communications	87,737	50,990	15.9%	2.9%
Montana	Qwest	13	5,072	0.0%	1.9%
Nebraska	Qwest	5	4,050	0.0%	1.4%
New Hampshire	Verizon (Bell Atlantic)	10,678	444	7.0%	0.1%
New Jersey	Verizon (Bell Atlantic)	94,242	55,821	5.8%	1.3%
New Mexico	Qwest	22	5,352	0.0%	0.9%
New York	Verizon (Bell Atlantic)	266,880	1,645,678	12.3%	21.5%
North Carolina	BellSouth	52,580	30,062	11.4%	1.8%
North Dakota	Qwest	16,942	3,136	39.4%	2.4%
Ohio	SBC Communications	51,779	226,887	4.8%	8.3%
Oklahoma	SBC Communications	41,433	22,755	10.2%	2.1%
Oregon	Qwest	21,304	26,739	7.1%	2.8%
Pennsylvania	Verizon (Bell Atlantic)	85,885	247,401	6.5%	6.0%
Rhode Island	Verizon (Bell Atlantic)	7,149	521	6.8%	0.1%
South Carolina	BellSouth	37,836	9,693	14.4%	0.9%
South Dakota	Qwest	13,131	4,262	19.5%	2.7%
Tennessee	BellSouth	70,571	30,410	15.1%	1.6%
Texas	SBC Communications	394,694	1,016,864	16.3%	18.6%
Utah	Qwest	60	17,607	0.0%	2.6%
Vermont	Verizon (Bell Atlantic)	WH	WH	WH	WH
Virginia	Verizon (Bell Atlantic)	19,109	13,021	3.6%	0.6%
Washington	Qwest	12,573	39,773	2.2%	2.4%
West Virginia	Verizon (Bell Atlantic)	1,379	134	1.4%	0.0%
Wisconsin	SBC Communications	11,029	53,763	1.8%	4.0%
Wyoming	Qwest	24,836	1,777	30.8%	1.2%

Source: RBOC Ex Parte Filings, CC Docket 01-338, or reported by Commerce Capital Markets, December 20, 2002.
Vintage of data varies by RBOC, but is generally from August or September, 2002.

* Relative Penetration estimated as UNE-P lines as a percentage of ILEC analog residential or business lines (Source: ARMIS 43:08).